

*City of Alexandria, Virginia*

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MEMORANDUM

DATE: APRIL 17, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
CITY MANAGER

FROM: PHILIP SUNDERLAND, CITY MANAGER

SUBJECT: BUDGET MEMO #27: PROPOSED CHANGES TO VEHICLE TOWING  
AND IMPOUND FEES

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**ISSUE:** City Council consideration of fee increases related to the towing and impounding of vehicles by the City making these services fully fee-supported.

**RECOMMENDATION:** That City Council approve the recommended fee structure for vehicle towing, impounding and disposal of vehicles.

**DISCUSSION:** Prior to July, 2001, the City's towing contractor provided tows at no charge to the City. In July, when that contract expired, the contractor began charging the City for each tow, significantly raising the City's cost for towing services. The City bid the towing services resulting in a \$96,000 increase in the City's budget for towing caused by tows which had previously been free and which are now costing the City approximately \$75.00 per tow.

While the towing contract was being negotiated, the Office of Management and Budget conducted an analysis of the towing and impounding operations, in cooperation with T&ES and the Police Department, to determine whether the current fees charged by the City cover the direct and indirect costs associated with towing, storing, and disposing of vehicles brought to the impound lot. The analysis included organizational issues associated with towing and impound operations as well as the related costs of those operations.

The analysis found that the current fee structure, last amended in 1994, does not cover the City's actual direct and indirect costs for managing the towing and impounding operations. The analysis resulted in the following recommendations regarding those operations:

- (1) Combine towing operations with impound lot operations under the management of T&ES to match costs with the associated revenue and improve the oversight and management. The management and cost of the towing operation are currently directed by the Police Department while T&ES manages the impound operation.
- (2) Increase the towing charge from \$50 to \$75 per vehicle to cover the City's actual cost. The increase is the result of the newly negotiated towing contract.
- (3) Increase the Impound Lot service charge from \$40 to \$60 per vehicle to recover the City's actual processing costs at the Impound Lot.
- (4) Increase the vehicle storage fee from \$20/day to \$30/day to cover the City's actual costs related to the storage of impounded vehicles.
- (5) When possible, tow HOV violators to the Impound Lot and apply all appropriate fees. Amend the existing towing contract to insure that tow trucks are available to move violators as quickly as possible from the HOV lanes. The Police Officer or Parking Enforcement Officer on the scene will retain the authority to move HOV violators to a closer parking area if the situation warrants.

The HOV recommendation represents a change in policy from the current process of towing violators to a nearby location. The goal of the HOV towing program is to clear the HOV lanes as quickly as possible and to take the vehicles to a safe and secure location. With Jones Point being impacted by Woodrow Wilson Bridge construction, secure space for towed vehicles will be eliminated later this year. The Impound Lot will be our best and most secure alternative at that time.

Also, not taking those vehicles to the Impound Lot means that we cannot recover any towing costs. Virginia law does not allow the collection of towing fees unless the car has been taken to an impound facility. Without impounding the towed vehicle we are unable to recover the \$20,000 cost paid to the towing contractor. The new fee proposal and towing policy will provide the revenue necessary to put additional tow trucks on-site at rush hour, provide that the HOV lanes are cleared immediately and insure that towed vehicles are safely stored at the Impound Lot. In situations where the number of HOV violators is unusually high creating a conflict with the number of tow trucks available, the Police Officer or Parking Enforcement Officer on the scene will be given authority to determine how best to clear the HOV lanes as quickly as possible.

The administrative changes to the process are minimal. The Impound Lot is open until 7:00 PM each week day, allowing time for the owner to determine that the vehicle has been towed, get to the Impound Lot, pay fees and fines and retrieve the vehicle. Tows are made at the beginning hour of the HOV period, 4:00 PM to 5:00 PM. The tow truck driver will deliver all paper work associated with the tow to the Impound Lot, along with the vehicle, allowing the vehicle owner immediate access. The recommended fee increase will insure that the costs incurred by the City for towing HOV violators are covered.

The total annual revenue resulting from the proposed fee changes is estimated to be \$570,000 which will allow the City to recover the annual \$568,000 cost of towing and impounding operations. Both the added expense for towing and the higher fees for towing and impounding have been included in the proposed FY 2003 General Fund Budget.

Alexandria's towing and impound operations are unique among Northern Virginia jurisdictions which contract all these services to private operators. Vehicle owners pay the rates established by the towing companies with only broad limitations established by the jurisdictions. Towing fees in Fairfax and Arlington Counties range from \$85 to \$100 plus a mileage charge. Administrative fees range from \$25 to \$125 (depending on how the fee is applied) and daily storage rates range from \$40 to \$50. The recommended fees for towing and impounding in Alexandria remain below the market rates charged in other jurisdictions.

**STAFF:** Joe Hilleary, Deputy Chief, Alexandria Police Department  
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